



Important Information for March 1st Election

The city's current wastewater treatment plant was constructed in 1978 and requires replacement due to decaying infrastructure and forthcoming regulations from the Environmental Protection Agency (EPA). The replacement cost will be approximately \$25 million.

There are two options to help fund a new wastewater treatment plant:

Option 1 Increase in Residential Wastewater Rates	Option 2 1% Local Option Sales Tax
<p>Funded entirely by wastewater customers.</p> <p>Wastewater rates increase 46%-54%, creating an \$18 per-month increase for the average customer. (The average customer uses 4,000 gallons.)</p> <p>With increases, Indianola will have the highest sewer rates in Iowa.</p> <p>Generates \$1.3 million per year to help fund construction of the new wastewater treatment plant.</p>	<p>Funded by wastewater customers and non-customers (those who shop in Indianola).</p> <p>1% sales tax added to goods purchased in Indianola. Exemptions include food, gasoline, and medication. (Find a complete list of exemptions at tax.iowa.gov)</p> <p>92 of 99 Iowa counties have a local option sales tax.</p> <p>Generates at least \$800,000 per year, and up to \$1.8 million per year*, to help fund construction of the new wastewater treatment plant.</p>

**Actual amount will depend on the result of elections.*

On Tuesday, March 1, 2016, Indianola residents have the opportunity to vote on whether or not to fund building a new wastewater treatment plant with a local option sales tax.

Vote **YES** if you **want** a 1% Local Option Sales Tax

Vote **NO** if you **do not want** a 1% Local Option Sales Tax



The following questions and answers offer insight into the construction of a new plant and the potential funding options for voter consideration on March 1st.

What will a new plant cost?

The cost of a new wastewater treatment plant is estimated at approximately \$25 million.

Why can't the existing plant be retrofitted to meet new EPA regulations?

It can be. But retrofitting the current wastewater plant exceeds the cost of new plant construction. That means tax payers will pay more. In addition, retrofitting the existing plant will likely not meet stricter EPA guidelines or accommodate Indianola's growing population.

How much is the current plant costing Indianola residents?

Operational and maintenance costs continue to mount due to the age of the facility. In just the last two years, the City Council has spent roughly \$500,000 on the plant's infrastructure. That is in addition to the several millions the city and many residents spent to improve wastewater collection infrastructure a few years ago, as mandated by the Iowa Department of Natural Resources (IDNR).

Will the federal government help pay for the new plant?

Unfortunately, no. While the existing plant was constructed in 1978 using federal dollars, the new plant does not qualify for federal funding. The new plant will need to be funded by local sources.

How will a new plant be funded?

There are two options to fund the new plant:

Option 1: Increase wastewater rates for all city utility users; or

Option 2: Implement a 1% local option sales tax

Who pays for each funding option?

Option 1 is funded entirely by wastewater customers through an increase in their wastewater rates. Option 2 is funded by wastewater customers and non-customers (those who shop in Indianola).

What kind of rate increase are we talking about?

In order to cover the cost of the new plant, we estimate a rate increase of 46%-54%. On average, that's an increase of approximately \$18 per month (new total anticipated residential wastewater bill: \$54/mo).

Didn't we just have rate increases?

Yes. Rates were increased to cover the cost of updates to the city's sewer collection system. Those updates were mandated by the IDNR. The total inflow and infiltration costs to the city totaled \$18.5 million, with residential costs of between \$2-3 million. Our wastewater rates are now among the highest in the state.

What can we expect with the local option sales tax?

A local option sales tax of 1% would generate at least \$800,000, and up to 1.8 million, depending on election results, and cover most of the cost of the new plant construction. The remainder of the project would be funded through current wastewater rates and bonding.

How do I learn more?

The city will be hosting a series of informational forums prior to the March 1 vote. Find a complete list of these forums on the city's website at www.indianolaiowa.gov. You may also contact Kelly Shaw, Mayor, at 515-961-9410 kshaw@cityofindianola.com or Ryan Waller, City Manager, at 515-961-9410 rwaller@cityofindianola.com

What do I need to do?

Please be sure to vote on **March 1, 2016**, in the special election. Find election locations and times on the city's website at www.indianolaiowa.gov or by calling City Clerk Diana Bowlin at 515-961-9410.